

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

This appendix contains a summary of the main provisions of the Articles of Association considered and approved at the general meeting of the Company on May 15, 2023, which will take effect from the date of [REDACTED] of H shares on the Stock Exchange. The main purpose of this appendix is to give [REDACTED] an overview of the Articles of Association, and it may not contain all the information that is important for [REDACTED].

The full Chinese text of the Articles of Association is available for inspection as mentioned in “Appendix VII—Documents Delivered to the Registrar of Companies and Documents on Display”.

### SHARES

#### Shares and Registered Capital

The Company shall have ordinary shares. The shares of the Company shall take the form of share certificates. All the shares issued by the Company are denominated in RMB, with a nominal value of RMB1 per share.

The shares of the Company shall be issued in a transparent, fair and equal manner, and shall rank *pari passu* with the shares of the same class.

The terms and price of each share of the same class in the same issue shall be the same, and every share subscribed by any entity or individual in the same issue shall have the same price.

#### Increase and Decrease of Shares

##### *Increase of capital*

The Company may, upon resolution by the shareholders’ general meeting, adopt the following methods to increase its capital in accordance with its business and development needs and pursuant to the provisions of laws and regulations:

- (I) public offering of shares;
- (II) non-public offering of shares;
- (III) distribution of bonus shares to existing shareholders;
- (IV) conversion of the reserve fund to additional share capital;
- (V) other means as permitted by laws, administrative regulations and approved by the securities regulatory authorities of the place where the Company’s shares are listed, HKEX and CSRC.

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### *Capital reduction*

The Company may decrease its registered capital in accordance with the Articles of Association. If the Company reduces its registered capital, such reduction shall be made in accordance with the procedures stipulated in the PRC Company Law, the regulatory rules of the securities regulatory authorities of the place where the Company's shares are listed and other related regulations and the Articles of Association.

When reducing its registered capital, the Company must prepare balance sheet and a list of assets.

The Company shall notify its creditors within ten days from the date of the resolution on the registered capital reduction and shall publish an announcement on the newspaper(s) within 30 days. A creditor has the right, within 30 days from the receipt of such notice; or, for creditors who do not receive the notice, within 45 days from the date of the announcement, to request the Company to pay its debts or to provide corresponding guarantee for such debts.

The registered capital of the Company after its reduction shall not be less than the statutory minimum amount. In addition, if the Company increases or reduces registered capital, it shall complete the registration for changes with the company registration authorities pursuant to the laws.

### **Buy-back of Share**

The Company may, in accordance with the provisions of the laws, administrative regulations, departmental rules and the Articles of Association, repurchase the shares of the Company in the following circumstances:

- (I) cancellation of shares to reduce the registered capital of the Company;
- (II) merging with other companies holding the shares of the Company;
- (III) the shares are to be used for employee share ownership plan or equity incentives;
- (IV) any shareholder opposes a resolution on the merger or division of the Company adopted at a general meeting and requests the Company to purchase his or her shares;
- (V) the shares are to be used to convert corporate bonds issued by the Company that can be converted to shares;
- (VI) it is necessary for the Company to maintain corporate value and shareholders' interests;
- (VII) other circumstances in which the shares of the Company can be acquired pursuant to the laws, administrative regulations, departmental rules, regulatory documents, and relevant regulations of the place where the Company's shares are listed.

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Except for the circumstances set out above, the Company shall not acquire the Shares of the Company.

The Company's acquisition of the shares of the Company can be made by public and centralized transaction, or other methods recognized by laws, administrative regulations and relevant regulatory authorities. Where the Company acquires its own shares due to the circumstances stipulated in item (III), (V) or (VI) above, it should be made by public and centralized transaction.

The Company's acquisition of the shares of the Company due to the circumstances stipulated in items (I) and (II) above shall be subject to a resolution of the general meeting. The Company's acquisition of the shares of the Company due to the circumstances stipulated in items (III), (V) and (VI) above may, pursuant to the Articles of Association or the authorization of the general meeting, be subject to a resolution of a Board meeting at which more than two-thirds of Directors are present.

Under the circumstance stipulated in item (I), the shares of the Company so acquired shall be canceled within ten days from the date of acquisition; under the circumstances stipulated in either item (II) or item (IV) above, the shares of the Company so acquired shall be transferred or canceled within six months; under the circumstances stipulated in item (III), (V) or (VI), the total shares of the Company held by the Company shall not exceed 10% of the Company's total outstanding Shares, and shall be transferred or canceled within three years.

If it is otherwise provided in the regulatory rules of the securities regulatory authority of the place where the Company's Shares are listed regarding the relevant matters of the repurchase of the Shares, the latter shall prevail.

### **Financial Assistance for the Purchase of the Shares of the Company**

The Company or its subsidiaries (including the Company's affiliated enterprises) shall not provide any financial assistance, in the form of gift, advance, guarantee, compensation or loans, to any person that purchases or plans to purchase the shares of the Company.

### **Share Transfer and Pledge**

Shares issued prior to the public [REDACTED] of shares by the Company shall not be transferred within one year from the day on which the shares of the Company are [REDACTED] and [REDACTED] on the stock exchange.

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The Directors, Supervisors and senior management personnel of the Company shall report to the Company their shareholdings in the Company and changes thereof and shall not transfer more than 25% of the total shares of the same class held by them in the Company per annum during their terms of office; the shares they hold in the Company shall not be transferred within one year from the date on which the shares of the Company are [REDACTED] and [REDACTED]. The shares they held in the Company also cannot be transferred within half a year after such persons have left office.

The Company does not accept its own shares as the collateral of pledge.

If it is otherwise provided in the regulatory rules of the securities regulatory authority of the place where the Company's Shares are [REDACTED] regarding the relevant matters of the limitation of H shares transfer, the latter shall prevail.

### SHAREHOLDERS AND GENERAL MEETINGS

#### Shareholders

##### *Register of Members*

The Company shall make a register of members in accordance with evidentiary documents provided by the securities registration authorities, and such register of members shall be the sufficient evidence substantiating that the shareholders hold the shares of the Company. Shareholders enjoy rights and undertake obligations according to the class and percentage of shares they hold. Holders of the same class shall enjoy the same rights and bear the same obligations.

The Company shall made available a copy of the full register of members at a specified address in Hong Kong for inspection by members, provided that the Company may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

##### *Rights and Obligations of Shareholders*

The shareholders of the Company shall enjoy the following rights:

- (I) obtaining dividends and any other form of profit distribution based on the number of shares held by them;
- (II) requiring, convening, chairing, attending or appointing a proxy to attend a shareholders' general meeting pursuant to the law and exercising the corresponding rights to speak and vote;
- (III) supervising the Company's operations, proposing recommendations or raising questions;

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- (IV) transferring, donating or pledging shares held by them pursuant to laws, administrative regulations and the regulatory rules of the securities regulatory authority of the place where the shares of the Company are listed and the Articles of Association;
- (V) inspecting the Articles of Association, share register, counterfoil of corporate bonds, minutes of shareholders' general meetings, resolutions of the board of directors, resolutions of the supervisory committee and financial and accounting reports;
- (VI) upon termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the quantity of shares held by them;
- (VII) a shareholder who objects to the resolution on merger or division of the Company passed by a shareholders' general meeting may request the Company to acquire his/her/its shares;
- (VIII) any other rights stipulated by laws, administrative regulations, provisions of departmental rules, the regulatory rules of securities regulatory authority of the place where the shares of the Company are listed or the Articles of Association.

The shareholders of the Company shall assume the following obligations:

- (I) complying with laws, administrative regulations and the Articles of Association;
- (II) paying capital contribution as per the shares subscribed for and the method of subscription;
- (III) not to withdraw the investment, except for circumstances stipulated by laws and regulations;
- (IV) not to abuse the shareholders' rights to impair the interest of the Company or other shareholders, not to abuse the legal person's independent status of the Company and the shareholders' limited liability to impair the interest of creditors of the Company.

Shareholders of the Company shall be liable for making compensation for any loss suffered by the Company or other shareholders arising from their abuse of shareholders' rights in accordance with law.

Shareholders of the Company who abuse the independent legal person status of the Company and the shareholders' limited liability to evade debts and seriously impair the interest of creditors of the Company shall be jointly and severally liable for the debts of the Company;

- (V) other obligations for the shareholders prescribed by laws, administrative regulations and the requirements of the Articles of Association of the Company.

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### *Restriction on Rights of the Controlling Shareholders*

The controlling shareholder(s) or the de facto controller(s) of the Company shall not impair the interests of the Company by making use of their connected relationship. They shall be liable for damages if, as a result of violating the regulation, they cause the Company to sustain a loss.

The controlling shareholder and the de facto controllers of the Company shall bear the fiduciary duty toward the Company and retail shareholders. The controlling shareholder shall exercise his or her rights as an investor in strict compliance with relevant laws. It may not use such means as profit distribution, asset restructuring, external investment, capital occupation, loan guarantee, etc., to damage the legitimate rights and interests of the Company and retail shareholders, as well as not to make use of its controlling status to damage the interests of the Company and retail shareholders.

### GENERAL MEETINGS

#### *General Provisions on General Meetings*

The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to laws:

- (I) to determine the Company's operating principles and investment plans;
- (II) to elect and replace directors and supervisors who are not employee representatives, and to decide on the remuneration matters of the relevant directors and supervisors;
- (III) to consider and approve the reports of the Board of Directors;
- (IV) to consider and approve the reports of the Supervisory Committee;
- (V) to consider and approve the Company's annual financial budgets and final accounts;
- (VI) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VII) to pass resolutions on increase or reduction of registered capital of the Company;
- (VIII) to pass resolutions on the issuance of the Company's bond;
- (IX) to pass resolutions on merger, division, dissolution and liquidation or change in corporate form of the Company;
- (X) to amend the Articles of Association;

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- (XI) to pass resolutions on the engagement, dismissal, or discontinuation of the appointment of the accounting firm by the Company;
- (XII) to consider and approve the external guarantees that require approval by the general meetings under the Articles of Association;
- (XIII) to consider matters regarding the purchase and/or sale of material assets by the Company that within one year exceed 30% of the latest audited total assets of the Company;
- (XIV) to consider, approve and alter matters regarding the use of raised funds;
- (XV) to consider share incentive scheme and the employee shareholding scheme;
- (XVI) to consider any other matter to be decided on by the general meeting as stipulated by laws, administrative regulations, departmental rules, and the regulatory rules of the place where the securities of the Company are listed or the Articles of Association.

The functions and powers of the above-mentioned general meeting shall not be delegated through authorization to the Board or any other body or individual.

The general meetings shall be divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within 6 months after the end of the previous accounting year.

An extraordinary general meeting shall be convened within two months from the date of occurrence of any of the following events:

- (I) when the number of directors is less than the number provided for in the PRC Company Law or less than two-thirds of the number specified in the Articles of Association;
- (II) the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (III) when Shareholders who individually or jointly hold more than 10% of the Company's Shares request to do so;
- (IV) the Board deems it necessary to convene the meeting;
- (V) the Supervisory Committee proposes to convene the meeting;

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(VI) other circumstances stipulated by laws, administrative regulations, departmental rules, listing rules of the place where the securities of the Company are listed, or the Articles of Association.

In the case of (III) above, the number of shares held shall be calculated based on shares of the Company held by shareholders at the date on which the shareholders submit the written request.

### *Convening of General Meetings*

A general meeting shall be convened by the Board of Directors or the any other convener pursuant to laws.

Independent non-executive directors are entitled to propose to the Board of Directors to convene an extraordinary general meeting, and such proposals shall be made in writing to the Board of Directors. Where independent non-executive directors propose to convene an extraordinary general meeting, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations, departmental rules and regulations, normative documents, and the Articles of Association, issue a written reply on whether to approve the convening of the extraordinary general meeting within 10 days upon the receipt of the proposal.

The Supervisory Committee is entitled to propose to the Board of Directors to convene an extraordinary general meeting, and such proposals shall be made in writing to the Board of Directors. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations, and the Articles of Association, issue a written reply on whether or not to approve the convening of the extraordinary general meeting within 10 days upon the receipt of the proposal.

Shareholder(s) severally or jointly holding more than 10% of the shares of the Company is/are entitled to request the Board of Directors to convene an extraordinary general meeting, and such request shall be made in writing to the Board of Directors. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations, and the Articles of Association, issue a written reply on whether or not to approve the convening of the extraordinary general meeting within 10 days upon the receipt of the request.

### *Proposal and Notification of General Meeting*

When the Company convenes a general meeting, the Board of Directors, the Supervisory Committee, and shareholders severally or jointly holding more than 3% of the shares of the Company shall be entitled to put forward proposals to the Company.



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The shareholders severally or jointly holding more than 3% of the shares of the Company may raise interim proposals and submit them in writing to the convener 10 days prior to the convening of the general meeting. The convener shall, within 2 days after the receipt of such proposals, issue a supplemental notice of the general meeting and announce the contents of the interim proposals. If it is otherwise provided in the laws, administrative regulations and regulatory rules of the securities regulatory authority of the place where the Company's Shares are listed, the latter shall prevail.

Except as prescribed in the preceding paragraph, the convener, after issuing the notice and announcement of the general meeting, shall neither revise the proposals stated in the notice of general meetings nor add new proposals. The notice of general meetings shall be given in writing.

Where the notice of the general meetings does not set out clear issues and specific matters on which resolutions are to be made, or the content of the proposal does not fall within the scope of powers of the general meeting or meet the relevant provisions of laws, administrative regulations and the Articles of Association, the general meetings shall not conduct a vote or make any resolution.

### *Notification of Shareholders' General Meeting*

The convener shall inform each shareholder of the annual general meeting in form of announcement 21 days before the meeting and shall inform each shareholder of the extraordinary general meeting in form of announcement 15 days or 10 business days (based on a relatively long period of time) before the meeting. If the laws, regulations, and securities regulators in the securities regulatory authority of the place where shares of the Company are listed have regulations otherwise, such regulations shall prevail.

When calculating the starting date, the date of the meeting shall be excluded, but the date of the announcement set out in the convening notice of the meeting shall be included.

The notice of the general meeting shall be in writing and include the following contents:

- (I) the time, venue, and duration of the meeting;
- (II) the matters and proposals to be discussed at the meeting;
- (III) a prominent statement stating that all Shareholders entitled to attend the Shareholders' general meetings and appoint proxy by written to attend and vote on his/her behalf, and such proxy need not be a Shareholder of the Company;
- (IV) the shareholding registration date of Shareholders entitled to attend the Shareholders' general meeting;
- (V) the name and phone number of the contact person in connection with the meeting.

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Notices or supplementary notices of Shareholders' general meetings shall adequately and completely disclose all the specific contents of all proposals. Where the opinions of an independent non-executive director are required on the matters to be discussed, such opinions and reasons thereof shall be disclosed when the notices or supplementary notices of Shareholders' general meetings are issued.

### *Convening of Shareholders' general meetings*

All Shareholders in the register as at the date of record or their proxies shall have the right to attend the Shareholders' general meeting and exercise voting rights pursuant to relevant laws, regulations and the Articles of Association.

Shareholders may attend the Shareholders' general meeting in person or appoint a proxy to attend the meeting and exercise their voting rights on their behalf, and such proxy need not be a Shareholder of the Company.

Individual Shareholders attending the meeting in person shall present their personal identity cards or other valid documents or stock account card for identification. Proxies attending the meeting shall present their personal identity cards and the authorization letters from the Shareholder.

Legal person Shareholders shall be represented by its legal representative or proxies entrusted by its legal representative to attend the meeting. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the authorization letter legally issued by the legal representative of legal person Shareholders. If legal person Shareholders have appointed a proxy to attend any meeting, it shall be deemed to have personally attended the meeting.

Shareholders are organized by non-legal person, the person in charge of the organization or a proxy authorized by the person in charge shall attend the meeting. Such person in charge of the organization attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the person in charge. Proxies authorized to attend the meeting shall present their personal identity cards or the authorization letter legally issued by the person in charge of the organization.

A Shareholders' general meeting shall be chaired by the chairman of the Board of Directors. In the event that the chairman of the Board of Directors is unable to or fails to perform his duties, a director jointly elected by more than half of the directors shall chair the meeting.

A Shareholders' general meeting convened by the Supervisory Committee on its own shall be chaired by the chairman of the Supervisory Committee. In the event that the chairman of the Supervisory Committee is unable to or fails to perform his duties, a supervisor jointly elected by more than half of the supervisors of the Company shall chair the meeting.

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The Shareholders' general meeting convened by Shareholders on their own initiative shall be presided over by the representative nominated by the convener.

If the host of the Shareholders' general meeting breaches the procedural rules, which makes it unable to proceed the Shareholders' general meeting, subject to consents of more than half of Shareholders with voting rights attending the Shareholders' general meeting, the Shareholders' general meeting may nominate a person to act as the host of the meeting and such meeting may continue.

***Voting and Resolutions at Shareholders' General Meeting***

Resolutions of a Shareholders' general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions shall be passed by votes representing more than half of the voting rights held by the Shareholders (including proxies) attending the Shareholders' general meeting.

Special resolutions shall be passed by votes representing more than two-thirds of the voting rights held by the Shareholders (including proxies) attending the Shareholders' general meeting.

The following matters shall be approved by ordinary resolutions at a Shareholders' general meeting:

- (I) work reports of the Board of Directors and the Board of Supervisors;
- (II) profit distribution plans and loss recovery plans formulated by the Board of Directors;
- (III) appointment and dismissal of members of the Board of Directors and the Board of Supervisors, and their remunerations and the method of payment;
- (IV) the annual financial budgets and final accounts of the Company;
- (V) the annual report of the Company;
- (VI) matters other than those which are required by the laws, administrative regulations or our Articles of Association to be approved by a special resolution.

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The following matters shall be approved by special resolutions at a Shareholders' general meeting:

- (I) the increase or decrease in registered capital of the Company;
- (II) the division, split, merger, dissolution and liquidation of the Company;
- (III) the amendment to the Articles of Association;
- (IV) the amount of purchase or disposal of material assets or providing guarantee within one year, which exceeds 30% of the latest audited total assets of the Company;
- (V) any equity incentive plans;
- (VI) any matters required by the laws, administrative regulations, regulatory rules of HKEX and the securities regulatory authority of the place where the Company's Shares are listed or the Articles of Association; any matters considered to have a substantial impact on the Company and to require approval by a special resolution by the Shareholders' general meeting in an ordinary resolution.

Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall have one vote.

No voting rights shall attach to the shares held by the Company, and such shares shall not be counted among the total number of voting shares present at a Shareholders' general meeting.

The connected/related shareholders shall not participate in voting, with its number of shares with voting rights represented by them not to be counted in the total number of valid votes, when the Shareholders' general meeting is reviewing the relevant connected/related transaction if required by applicable laws, regulation, normative documents or the Hong Kong Listing Rules; the announcement of the resolution of the Shareholders' general meeting shall fully disclose the votes of the non-connected/non-related Shareholders.

### DIRECTORS AND BOARD OF DIRECTORS

#### Directors

Subject to compliance with the relevant provisions of laws and administrative regulations, directors shall be elected or replaced at the Shareholders' general meeting, the Shareholders' general meetings may remove any director whose tenure has not expired by ordinary resolutions (without prejudice to any claim which might be put forward in accordance with any contract). And directors may be removed before the expiry of the term at the Shareholders' general meeting.

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Directors serve for a term of three years and shall be subject to re-election upon expiry. The term of a director shall start from the date on which the said director assumes office to the expiry of the current Board. If the term of office of a director expires but reelection is not made responsively, the said director shall continue performing its duties as director pursuant to relevant laws, administrative regulations, departmental rules and the Articles of Association until a newly elected director is on duty.

Without violating the relevant laws, regulations and regulatory rules of the place where the shares of the Company are listed, if the Board of Directors appoint a new director to fill a casual vacancy on the Board of Directors, such appointed director shall hold office until the first Annual Shareholders' general meeting after his or her appointment and the said director shall be qualified for re-election and renewal thereat.

The general manager or any other senior management members may hold the position of director concurrently, provided that the total number of directors who hold the position of general manager or any other senior management members concurrently and directors who are employee representatives shall not exceed half of the total number of directors of the Company.

Directors have a series of loyal and diligent obligations towards the Company.

### **Board of Directors**

#### *General Rules of the Board of Directors*

The Company shall set up a Board of Directors which shall be accountable to the general meetings. The Board of Directors consists of [five to ten] Directors, [four] of which are Independent Non-executive Directors. The number of Independent Non-executive Directors shall be not less than one-third of the total number of the Board of Directors at any time.

The Board of Directors shall exercise the following functions and powers:

- (I) convening the general meeting and submitting work reports to the general meeting;
- (II) implementing resolutions of the shareholders' general meeting;
- (III) to decide on the business plans and investment plans of the Company;
- (IV) formulating the Company's annual financial budgets and final accounts;
- (V) formulating the Company's profit distribution plan and plan for covering losses;
- (VI) formulating the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities, and listing plan;

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- (VII) drafting plans for the Company's major acquisition, purchase of the Company's Shares or merger, division, dissolving, and change in the corporate form of the Company in circumstances where the Company's shares can be purchased as stipulated in the Articles of Association;
- (VIII) determining, within the scope of the authorization granted by the general meeting, the Company's external investments, acquisition, and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, related transactions and external donation, etc.;
- (IX) resolving on the establishment of the Company's internal management bodies;
- (X) determining the appointment or dismissal of the general manager of the Company, the secretary to the Board of Directors of the Company and other senior management, and determining their emoluments, rewards and penalties; determining the appointment or dismissal of deputy general manager of the Company and senior management including person-in-charge of finance of the Company based on the nominations of the general manager, and determining their emoluments, rewards and penalties;
- (XI) formulating the Company's basic management rules;
- (XII) formulating plans for amendment of the Articles of Association;
- (XIII) managing information disclosure by the Company;
- (XIV) proposing the engagement or change of the appointment of accounting firms auditing for the Company to the general meeting;
- (XV) listening to work reports submitted by the general manager of the Company and reviewing his/her work;
- (XVI) passing resolutions concerning the repurchase of the Company's shares under the circumstances as stipulated in the Articles of Association;
- (XVII) other functions and powers accorded by laws, administrative regulations, departmental rules, and the relevant regulatory rules of the place where the securities of the Company are listed or the Articles of Association and granted by the general meeting.

Meetings of the Board of Directors shall only be held if more than one-half of the directors are present. Resolutions of the Board of Directors require the approval of more than half of all directors. Resolutions of the Board shall be passed on a "one person, one vote" basis.

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If any director is connected/related with the enterprises that are involved in the matters to be resolved at the meeting of the Board of Directors, he or she shall not exercise his or her voting rights for such matters, nor shall such director exercise voting rights on behalf of other directors. Such meetings of the Board of Directors may only be held if more than one-half of the directors without a connected/related relationship is present, and the resolutions made at such a meeting of the Board of Directors shall be passed by more than one-half of the directors without a connected/related relationship. If the number of non-connected/non-related directors present at such meetings is less than three, the matter shall be submitted to the general meeting for consideration.

### *Special Committees under the Board*

The Board of Directors of the Company shall establish special committees, including the audit committee, the nomination committee, and the remuneration and evaluation committee, and the strategy development committee as necessary. The special committees shall be accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. The proposals of the committees shall be submitted to the Board of Directors for approval. All members of the special committees shall be directors, among which audit committee shall only be non-executive directors and consist of at least three members. The majority of its members shall be independent non-executive directors, at least one of whom shall be an independent non-executive director with the appropriate qualifications as provided for in the Hong Kong Listing Rules or the appropriate accounting or relevant financial expertise, and its convener, or chairman, shall be an independent non-executive director. The majority of the members of the remuneration and evaluation committee must be independent non-executive directors and its convener, or chairman, must be an independent non-executive director. The convener, or chairman, of the nomination committee must be the chairman of the Board or an independent non-executive director, and the majority of the members also must be independent non-executive directors. In accordance with its requirements, the Board may set up other committees and reshuffle existing committees. The Board of Directors is responsible for formulating the rules of the special committees to regulate their operation.

### **General Manager and Other Senior Management Personnel**

The Company shall have one general manager and one deputy general manager to be appointed or dismissed by the Board of Directors.

The Company's general manager, deputy general manager, chief financial officer, and the secretary to the Board of Directors shall be the Company's senior management personnel.

The general manager shall be accountable to the Board of Directors and exercises the following functions and powers:

- (I) presiding over the production and operation management of the Company, organizing the implementation of Board resolutions, and reporting to the Board of Directors on his/her work;

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- (II) organizing the implementation of the Company's annual business plans and investment plans;
- (III) formulating plans for the establishment of the Company's internal management bodies;
- (IV) formulating basic management rules of the Company;
- (V) formulating the Company's specific rules and regulations;
- (VI) proposing appointment or dismissal of Company's deputy general manager and person-in-charge of finance to the Board of Directors;
- (VII) determining the appointment or dismissal of management personnel (other than those required to be appointed or dismissed by the Board of Directors);
- (VIII) other functions and powers conferred by the Article of Association or the Board of Directors.

The general managers shall attend meetings of the Board of Directors.

The Company shall have the secretary to the Board who shall be responsible for the matters relating to preparations for general meetings and Board meetings, keeping of documentation and managing shareholders' data, handling information disclosure of the Company.

The secretary to the Board shall comply with laws, administrative regulations, departmental rules, the regulatory rules of the place where the securities of the Company are listed and the Articles of Association.

### **SUPERVISORS COMMITTEE**

#### **Supervisors**

The term of office of a supervisor shall be three years. A supervisor may serve consecutive terms if re-elected.

Any directors, general managers and other senior management personnel shall not act concurrently as supervisors.



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### Supervisors Committee

The Company shall have a Supervisory Committee. The Supervisory Committee shall comprise 3 supervisors and shall have a chairman of the Supervisory Committee. The chairman of the Supervisory Committee shall be elected by more than half of the supervisors. The chairman of the Supervisory Committee shall convene and preside over Supervisory Committee meetings; where the chairman of the Supervisory Committee cannot or does not fulfil the duty thereof, more than half of the Supervisors may jointly elect a Supervisor to convene and preside over Supervisory Committee meetings.

The Supervisory Committee shall include shareholder representatives and an appropriate percentage of employee representatives, and the ratio of employee representatives shall not be less than one-third. Employee representatives of the Supervisory Committee shall be democratically elected by the Company's employee at the employee representative assembly, general employee meeting or otherwise.

The Supervisory Committee exercises the following functions and powers:

- (I) reviewing and giving written comments to regular reports of the Company prepared by the Board of Directors;
- (II) inspecting the financial position of the Company;
- (III) supervising performance of duties of the Company by directors and senior management personnel, and proposing the termination of appointment of directors and senior management personnel who have violated laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meeting;
- (IV) requiring the directors and senior management personnel to restore damages they have caused the interests of the Company;
- (V) proposing the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the Board of Director fails to perform the duty of convening and presiding over shareholders' general meetings under the PRC Company Law;
- (VI) making proposals to the shareholders' general meeting;
- (VII) bringing actions against directors and senior management personnel pursuant to the relevant provisions of the PRC Company Law;
- (VIII) conducting investigation when noticed unusual operation condition of the Company, and if necessary, engaging professional organs such as accounting firm and law firm for assistance, fee of which shall be undertaken by the Company;

## **APPENDIX V**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

(IX) other functions and powers accorded by laws, administrative regulations, departmental rules, the regulatory rules of the place where the securities of the Company are listed and the Articles of Association or granted by the shareholders' general meetings.

Meetings of the Supervisory Committee shall be convened at least every six months. Extraordinary meetings of the Supervisory Committee can be convened by the supervisors.

Resolutions of the Supervisory Committee shall be passed by more than half of the supervisors.

### **FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT**

#### **Financial Accounting System and Profit Distribution**

The Company shall formulate its financial accounting system pursuant to the provisions of laws, administrative regulations, departmental rules and the relevant State authorities.

The Company shall publish its financial report under the international accounting standards or the accounting standards of the overseas place where the Company's shares are listed twice each financial year, including the interim financial report within 3 months after the end of the first six months of each financial year and publish its annual financial report within 4 months after the end of each financial year. If it is otherwise provided in the regulatory rules of the securities regulatory authority of the place where the Company's Shares are listed, the latter shall prevail.

When distributing the profit after tax for a year, the Company shall set aside 10% of its profit after tax for the statutory reserve. The Company shall no longer be required to make allocations to its statutory reserve once the aggregate amount of such reserve reaches at least 50% of its registered capital. If the Company's statutory reserve is insufficient to make up losses from previous years, the Company shall use its profits from the current year to make up such losses before making the allocation to its statutory reserve in accordance with the preceding paragraph.

After making the allocation from its after-tax profits to its statutory reserve fund, the Company may also, subject to a resolution of the Shareholders' general meeting, make an allocation from its after-tax profits to the discretionary reserve fund.

After the Company has made up its losses and made allocations to its reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the Shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association. Where the Shareholders' general meeting violates the provisions of the preceding paragraph in distributing profits to Shareholders prior to the Company's making up for the losses and withdrawing statutory reserve fund, the Shareholders shall return the profits which are distributed in violation of the provisions to the Company.

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

The shares of the Company held by the Company is not entitled for profit distribution.

### **Audit**

The Company shall implement internal audit system and employ full-time audit personnel to carry out internal audit and supervision on the Company's financial revenue and expenditure and economic activities.

The Company shall appoint an independent accounting firm that complies with the provisions of the PRC Securities Law to audit its accounting statements, verify its net assets and provide other relevant advisory services, and the term of appointment of the accounting firm is 1 year and can be renewed.

The appointment of the accounting firm of the Company shall be determined by the Shareholders' general meeting, and the Board shall not appoint an accounting firm before the decision of the Shareholders' general meeting. The audit fees of the accounting firm shall be determined by the Shareholders' general meeting.

### **Notices and Announcements**

A notice of the Company shall be sent by the following means:

- (I) by announcement;
- (II) by personal delivery;
- (III) by express delivery;
- (IV) by e-mail;
- (V) by fax;
- (VI) by posting on the websites designated by the Company and the Hong Kong Stock Exchange, subject to laws, administrative regulations and listing rules of the stock exchange where the Company's shares are listed;
- (VII) other forms stipulated by laws, administrative regulations or other normative documents, the approval of the relevant regulatory authority of the place where the shares of the Company are listed, or the Articles of Association of the Company.

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**APPENDIX V**

**SUMMARY OF ARTICLES OF ASSOCIATION**

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**DISSOLUTION AND LIQUIDATION OF THE COMPANY**

The Company dissolves for the following reasons:

- (I) dissolved matters stipulated in the Articles of Association of the Company;
- (II) the general meeting has resolved on dissolution of the Company;
- (III) merger or division of the Company entails dissolution;
- (IV) the business license of the Company is revoked or the Company is ordered to close down or to be dissolved in accordance with the laws;
- (V) If the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through other channel, the company is dissolved by a people's court in response to the request of the shareholders holding more than 10% of the voting rights of all shareholders of the Company.

Where the Company is dissolved under the circumstances set forth in items (I), (II), (IV) or (V) above, it should establish a liquidation team to start liquidation within 15 days of the date on which the dissolution matters occur. The liquidation team shall comprise members determined by the Directors or the general meeting. If the Company fails to set up the liquidation team within the period, the creditors may apply to the people's court for appointment of relevant persons to form a liquidation team and carry out liquidation.

The liquidation team shall notify all creditors within 10 days after its establishment and shall make announcements in newspapers within 60 days. The creditors shall declare their rights to the liquidation team within 30 days after receipt of the notice or within 45 days after announcement if the creditors haven't received the notice.

During the period of the claim, the creditor shall explain all matters relevant to the creditor's rights he/she has claimed and provided relevant evidential documents. The liquidation team shall register the creditor's rights.

In the creditor's rights declaration period, the liquidation team shall not make repayment to the creditors.

Upon disposal of the Company's property and preparation of the balance sheet and inventory of properties, the liquidation team shall draw up a liquidation plan and submit this plan to a general meeting or a people's court for endorsement.

## **APPENDIX V**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

The properties of the Company shall be used respectively for payment of liquidation expenses, employees' wages, social security expenditures, statutory compensations, tax in arrears and the Company's debts; the residual properties thereafter shall be distributed in accordance with the shareholding percentages of the shareholders.

During the liquidation, the Company shall continue to exist, but may not engage in any business activities unrelated to the liquidation.

The Company's properties shall not be distributed to shareholders before making repayment pursuant to the provisions of the preceding sentence.

Upon liquidation of the Company's property and preparation of the balance sheet and list of properties, if the liquidation team becomes aware that the Company does not have sufficient properties to pay off its liabilities, it must apply to a People's Court for a declaration of bankruptcy in accordance with the laws.

After the People's Court has ruled to declare the Company bankrupt, the liquidation team shall turn over the liquidation matters to the People's Court.

Upon completion of the liquidation of the Company, the liquidation team shall prepare a liquidation report and submit it to the general meeting or a People's Court for confirmation, and the Company registration authority to cancel the Company's registration, and an announcement of its termination shall be published.

### **AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Under any of the following circumstances, the Company shall amend the Articles of Association:

- (I) anything, as contained in the Articles of Association, is inconsistent with the amended laws and administrative regulations after the PRC Company Law or the relevant laws and administrative regulations are revised;
- (II) the Company's situation has changed and is inconsistent with that set forth under the Articles of Association;
- (III) the general meeting has decided on making amendments to the Articles of Association.

Where any amendment to the Articles of Association resolved by the general meeting is subject to review and approval of competent authorities, the amendment shall be submitted to the competent authorities for approval; where Company registration matters are involved, change registration formalities shall be filed pursuant to the law.